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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman

BOB STUMP

BOB BURNS

DOUG LITTLE

TOM FORESE

2015 FEB 13 P 3:56

AZ CORP COMMISSION
DOCKET CONTROL**DOCKETED**

FEB 10 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF GLOBAL WATER – SANTA CRUZ
WATER COMPANY, INC. FOR AN
EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY

DOCKET NO. W-20446A-14-0290

AMENDED APPLICATION

Global Water – Santa Cruz Water Company, Inc. (“Santa Cruz”) amends the
Application filed in this docket on July 30, 2014. The Application covered five
properties:

1. City of Maricopa – Estrella Gin
2. City of Maricopa – Eagle Wing PAD
3. Anderson Russell, LLC Property
4. El Dorado Holdings, Inc. – Eagle Wing
5. Santa Cruz Land Development, LLC

ORIGINAL

In order to expedite consideration of this matter, Santa Cruz amends its application to
exclude properties 2-5 on the list above, leaving only the first property.

That property is the City of Maricopa’s Estrella Gin property. The Estrella Gin
project is a high priority project for the City, and Santa Cruz makes this amendment in
order to focus this docket on the most urgent matters. The City has scheduled Parcels 1
and 2 of Estrella Gin to be completed and occupied in 2015, and Parcels 3 and 4 to be
completed and occupied in 2016. Thus, the City has an immediate need for service.

The other properties have a longer development timeframe and will be included a
subsequent application in a new docket.

1 The original Application, as revised by the Response to First Insufficiency Letter
2 broke the relevant information out by each property. Thus, there is already a separate
3 engineering report, cost data, request for service, and map for the Estrella Gin property.
4 For ease of reference, the "Estimated Total Construction Costs and Plant Projections"
5 (Exhibit 7 to the Application) and "Annual Revenue and Expenses for First Five Years"
6 (Exhibit 9 to the Application) for the Estrella Gin property only are attached. In addition,
7 a copy of the legal description for the Estrella Gin property is attached.

8 In light of the City's immediate need for service, Santa Cruz requests that the Staff
9 find this matter sufficient, and that Administrative Law Judge set a prompt hearing in this
10 matter

11
12
13 RESPECTFULLY SUBMITTED this 13th day of February 2015.

14 SNELL & WILMER, LLP

15
16 By Timothy J. Sabo
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18 One Arizona Center
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*Attorneys for Global Water – Santa Cruz
Water Company, Inc.*

1 Original +13 copies of the foregoing
2 filed this 13th day of February 2015, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered/mailed
8 this 13th day of February 2015, to:

9 Lyn A. Farmer, Esq.
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, AZ 85007

15 Janice Alward, Esq.
16 Chief Counsel, Legal Division
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21 Director, Utilities Division
22 Arizona Corporation Commission
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25 By *John Howard*

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27
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Santa Cruz Water Company
 CC&N Expansion 2014
 Project Statement of Income

Line No:	Description:	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5
1	Metered Water Revenue \a					
2	Residential	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commercial	13,038	65,282	91,450	120,940	144,410
4	Industrial	9,605	48,070	67,326	89,015	106,267
5	Irrigation	2,967	14,845	20,788	27,478	32,797
6	Unmetered Water Revenue	160	638	319	359	285
7	Other Water Revenues					
8	Total Estimated Revenues	25,770	128,835	179,883	237,793	283,759
9						
10	Employee Labor					
11	Pumping Power \1	220	1,101	1,541	2,037	2,430
12	Chemicals \1	18	90	126	166	199
13	Repairs & Maint \1	11	53	75	99	118
14	Insurance \1	30	149	208	275	329
15	Contract Services Fathom \2	19	96	134	177	211
16	Rent Expense Equip \1	7	37	51	68	81
17	Bad Debt Expense \1	4	21	30	39	47
18	Maricopa MOU \1	64	320	448	592	707
19	Postage & Mailing \1	1	3	4	5	6
20	Phone Services Expense \1	7	36	50	66	79
21	Computer Repair & Maint \1	7	36	51	67	80
22	Office Supplies Misc \1	3	17	23	31	36
23	Banking fees \1	6	29	41	54	64
24		-	-	-	-	-
25	Total Variable Costs	397	1,987	2,782	3,676	4,386
26						
27	Depreciation \3	514	4,266	9,643	14,018	18,654
28	CIAC Amort \4	-	(590)	(1,769)	(2,949)	(4,129)
29	Property Taxes \5	2,165	6,493	9,366	15,302	19,640
30	Income Taxes \6	8,539	43,439	59,516	77,344	91,290
31	Total Other Expenses	11,219	53,609	76,756	103,715	125,456
32						
33	Total Operating Expenses	11,616	55,596	79,538	107,391	129,843
34						
35	Operating Income (Expense)	\$ 14,154	\$ 73,239	\$ 100,345	\$ 130,402	\$ 153,916

\a - Based on customer growth and average revenue for typical meter

\1 - Based on 2013 average cost per account multiplied by estimated new connections.

\2 - Based on per connection FATHOM fee

\3 - Based on plant estimate & authorization depreciation rates

\4 - Based on customer growth at current HUF

\5 - ADOR property tax calculation

\6 - Based on composite rate last rate case

Santa Cruz Water Company
CC&N Expansion 2014
Ops Expenses

Total Variable Costs (excluding allocated Personnel Costs)

	2013 Expense Amount	Active Connections 12/31/2012	Active Connections 12/31/2013	Average Connections during 2013	Revenue per Avg Connection	2015	2016	2017	2018	2019
Pumping Power	\$ 814,557	16,519	17,220	16,870	\$ 48.29	220.20	1,100.98	1,541.37	2,036.82	2,430.42
Chemicals	\$ 66,585	16,519	17,220	16,870	\$ 3.95	18.00	90.00	126.00	166.50	198.67
Repairs & Maint	\$ 39,540	16,519	17,220	16,870	\$ 2.34	10.69	53.44	74.82	98.87	117.98
Insurance	\$ 110,135	16,519	17,220	16,870	\$ 6.53	29.77	148.86	208.41	275.40	328.61
Contract Services Fathom	\$ 496,840				\$ 4.19	19.11	95.54	133.75	176.74	210.90
Rent Expense Equip	\$ 27,065	16,519	17,220	16,870	\$ 1.60	7.32	36.58	51.22	67.68	80.76
Bad Debt Expense	\$ 15,769	16,519	17,220	16,870	\$ 0.93	4.26	21.31	29.84	39.43	47.05
Maricopa MOU	\$ 236,856	16,519	17,220	16,870	\$ 14.04	64.03	320.14	448.20	592.26	706.71
Postage & Mailing	\$ 1,966	16,519	17,220	16,870	\$ 0.12	0.53	2.66	3.72	4.92	5.87
Phone Services Expense	\$ 26,411	16,519	17,220	16,870	\$ 1.57	7.14	35.70	49.98	66.04	78.80
Computer Repair & Maint	\$ 26,907	16,519	17,220	16,870	\$ 1.59	7.27	36.37	50.91	67.28	80.28
Office Supplies Misc	\$ 12,233	16,519	17,220	16,870	\$ 0.73	3.31	16.53	23.15	30.59	36.50
Banking fees	\$ 21,423	16,519	17,220	16,870	\$ 1.27	5.79	28.96	40.54	53.57	63.92
	\$ 1,896,287			\$		\$ 397	\$ 1,987	\$ 2,782	\$ 3,676	\$ 4,386
					87					

COST SUMMARY AND SCHEDULE

	Number of Customers (thousands) Per Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
Total/year	5	18	9	10	8
Cumulative	5	23	32	42	50
Rec'd	0	0	0	0	0
Comps	3	11	6	6	5
Inv'd	1	6	3	3	3
Intg	0	1	1	1	0

GLOBAL WATER- SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED OFFSITE WATER INFRASTRUCTURE COSTS

ESTRELLA GIN					
Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
No Offsite Infrastructure required					

**GLOBAL WAER-SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED ONSITE INFRASTRUCTURE**

ESTRELLA GIN						
Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	543	LF	\$ 45.00	\$ 24,435.00	331	
8" DIP	464	LF	\$ 42.00	\$ 19,488.00	331	
12" Valve Box and Cover	3	Ea	\$ 3,500.00	\$ 10,500.00	331	
8" Valve Box and Cover	2	Ea	\$ 2,300.00	\$ 4,600.00	331	
Engineering and Permits	10%	Is	\$ -	\$ 14,122.30	331	\$ 73,145.30
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	5	Ea	\$ 3,500.00	\$ 17,500.00	335	\$ 17,500.00
6" Double Check Backflow Fire	4	Ea	\$ 3,000.00	\$ 12,000.00	336	\$ 12,000.00
TOTAL PHASE 1				\$ 155,345.30		\$ 155,345.30

ESTRELLA GIN						
Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	468	LF	\$ 45.00	\$ 21,060.00	331	
8" DIP	949	LF	\$ 42.00	\$ 39,858.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	Is	\$ -	\$ 13,191.80	331	\$ 79,909.80
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meter	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	1	Ea	\$ 3,500.00	\$ 3,500.00	335	\$ 3,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 2				\$ 145,109.80		\$ 145,109.80

ESTRELLA GIN						
Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	365	LF	\$ 45.00	\$ 16,425.00	331	
8" DIP	445	LF	\$ 42.00	\$ 18,690.00	331	
12" Valve Box and Cover	0	Ea	\$ 3,500.00	\$ -	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	Is	\$ -	\$ 10,961.50	331	\$ 48,376.50
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	3	Ea	\$ 3,500.00	\$ 10,500.00	335	\$ 10,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 3				\$ 120,576.50		\$ 120,576.50

GLOBAL WATER- SANTA CRUZ WATER COMPANY CC&N EXPANSION **ESTIMATED PLANT COSTS**

Well Site #1

Item Desc	Quantity	Units	Total	NARUC	NARUC TOTAL
Site Work	1	ls	\$ 35,000.00	304	
Slab	1	ls	\$ 10,000.00	304	
Power to Site	1	ls	\$ 50,000.00	304	\$ 95,000.00
Well Drilling	1	ls	\$ 550,000.00	307	
Piping and Valves	1	ls	\$ 70,000.00	307	
Hydrotank	1	ls	\$ 35,000.00	307	
Electrical	1	ls	\$ 40,000.00	307	
Engineering and Permits	10%	ls	\$ 100,500.00	307	\$ 795,500.00
Generator	1	ls	\$ 125,000.00	310	\$ 125,000.00
Well Pump	1	ls	\$ 90,000.00	311	\$ 90,000.00
Total			\$ 1,105,500.00		\$ 1,105,500.00

PVUC CC&N Expansion- 2014
Demand and Meter Count Tables

Estrella Gin

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Avg Meter Vol/Month	Total Meters
Residential	0.00	1,125	-	-	6,529	0
Commercial	22.00	2,800	61,600	1,848,000	43,057	43
Industrial	22.00	1,800	39,600	1,188,000	54,864	22
Irrigation	10.00	1,800	18,000	540,000	140,969	4
	54.00		119,200	3,576,000		68

LEGAL DESCRIPTION

CITY OF MARICOPA

DEVELOPMENT NAME: ESTRELLA GIN

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PINAL, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

The Northeast quarter of the Southwest quarter; AND the Southeast quarter of the Northwest quarter of Section 21, Township 4 South, Range 3 East of the Gila and Salty River Meridian, Pinal County, Arizona, lying North of the Southern Pacific Railroad right of way.

Except those portions conveyed to Pinal County, Arizona in Quit Claim Deeds recorded in Docket 973, Page 345 and Docket 1018, Page 934; and

ALSO Except that portion described as follows:

Commencing at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 21;

Thence South along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 945.00 feet to the TRUE POINT OF BEGINNING;

Thence East along a line perpendicular to said West line, a distance of 70.00 feet to a point on a line 70 feet East of and parallel with the West line of the Southeast quarter of the Northwest quarter of Section 21;

Thence South along said line, a distance of 50.00 feet;

Thence West along a line perpendicular to the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 70.00 feet to a point on said West line;

Thence North along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 50.00 feet to the POINT OF BEGINNING; and

ALSO Except that portion described as follows:

Commencing at the Arizona Department of Transportation aluminum cap in handhole marking the North quarter corner of said Section 21 from which the Arizona Department of Transportation aluminum cap in handhole marking the Northeast corner of said Section 21 bears North 89 degrees 38 minutes 51 seconds East, a distance of 2714.34 feet;

Thence South 00 degrees 31 minutes 04 seconds East, along the North-South mid-section line of said Section 21, a distance of 2066.95 feet to the TRUE POINT OF BEGINNING;

Thence continuing South 00 degrees 31 minutes 04 seconds East, along said North-South mid-section line of said Section 21, a distance of 563.37 feet to the 1 1/4 inch iron pipe marking the center of said Section 21;

Thence South 89 degrees 53 minutes 52 seconds West, along the East-West mid-section line of said Section 21, a distance of 30.00 feet to a point on a line which is parallel with and 30.00 feet Westerly, as measured at right angle from the North-South mid-section line of said Section 21;

Thence North 00 degrees 31 minutes 04 seconds West, along said parallel line, a distance of 371.06 feet to the beginning of a tangent curve of 630.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 17 degrees 45 minutes 10 seconds, a distance of 195.20 feet to the POINT OF BEGINNING.

APN: 510-17-005E-6